Distribution of LPG refills through fair price shops

2369. SHRI NANDI YELLAIAH: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether Government are aware that the rural LPG consumes in Andhra Pradesh are finding it difficult to get refills from agencies located far away from their residences and have to spend substantial transport charges for getting refills leading to poor turnover of refills in rural areas;

(b) if so, whether Government have been frequently requested by the State Government of Andhra Pradesh to issue orders permitting distribution of LPG cylinders to the rural consumers through Fair Price Shops by allowing FP Shop dealers to stock upto 7 cylinders of 14.2 k.g. each at any point of time without licence;

(c) if so, the details in this regard; and

(d) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI DINSHA J. PATEL): (a) No, Sir. Public Sector Oil Marketing Companies (OMCs) have not reported any complaint of rural LPG customers finding it difficult to get refills.

(b) to (d) Government had received a proposal from Andhra Pradesh Government to permit the distribution of LPG cylinders to the beneficiaries under the State Government's Deepam Scheme through Fair price Shop (FPS) dealers by storing upto 6 cylinders at any point of time without any licence. However, the proposal was not supported by the OMCs *inter alia* on account of the following reasons:—

(i) It is not a practical proposition to put domestic LPG in the FPS as LPG is not rationed good. This is a purely commercial good marketed by OMCs through their LPG distributors appointed as per their commercial considerations.

(ii) It would be difficult to keep a check on the diversion of domestic LPG cylinders for unauthorized commercial use.

(iii) At present, OMCs make delivered supplies of filled cylinders to the distributors' godowns. The inclusion of additional transportation

costs from the distributor's godown to each of the proposed sub-distributors and sub-distributor's commission in the price would make the monitoring of end selling prices difficult.

(iv) It would be difficult to enforce the observance of safe practices by the FPS owners.

(v) The necessary infrastructure and expertise for attending to leakage complaints and other associated services would need to be developed at FPS.

At present, the OMCs are following the methodology given below for marketing domestic LPG in rural and far flung areas in the country:

(i) LPG cylinders are carreid to approved extension points operated by the distributor in the rural and far flung areas. Customers take refill supplies from these points.

(ii) Distributors' vehicle carrying filled cylinders go about covering various areas as per the required frequency for effecting supplies to customers. The retail selling price charged is based on the Government approved tariff structure for transportation.

Government have adivsed OMCs to draw up Marketing Plans for covering semi-urban and rural areas. OMCs have finalized a common industry marketing plan covering 791 locations including 126 locations in the State of Andhra Pradesh for setting up LPG distributorships mostly in rural locations.

Indo-Iran pipeline project

2370. SHRI TARIQ ANWAR: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether it is a fact that instructions have been received from US officials on the Indo-Iran Pipeline Project;

(b) if so, the details thereof; and

(c) in what manner Government are taking these instructions and what would be the impact on the deal?